

Merger Decision Far-Reaching

By Opinion Declaring Northern Securities Company Illegal, Supreme Court Settles for All Times the Right of Congress to Regulate Inter-State Commerce

Every contention of the Northern Securities company to legal existence, to the right to control three great railroad properties and operate them in harmony was denied by the Supreme Court of the United States March 14, Justice Harlan delivering a majority opinion. The decree of the four circuit judges of a year ago was affirmed and the first \$1,000,000,000 railroad corporation, the first concern to centralize ownership of the great

checked; the crowning scheme of the age of consolidation has been rebuked. A score of the same character were ready for launching. The Northern Securities was a test of the limitation of financial combinations. In the railroad world it was a new feature; it opened up illimitable possibilities of controlling the traffic of the country, of controlling it without the need of great capital. The right of the corporation to hold the

continue to be directed by the same interests. When the legal advisers have measured and weighed the opinion it may be possible to accomplish the same result by lodging the ownership of the stocks in some other railroad, as is now done in a score of similar cases, as the New York Central owns Lake Shore, as the Pennsylvania owns Baltimore and Ohio, as the Oregon Shore Line owns the Southern Pacific, being in turn owned by the Union Pacific.

As an individual cannot be prohibited from buying securities, so a railroad corporation cannot be prohibited. In the majority opinion there is no reference to this form of control. The question was not raised and non-interference with the scores of cases where such control is held may be regarded as pointing out the way for the retention of the Hill properties.

While the decision does not touch upon the ordinary method of holding railroads, it has a direct bearing upon the industrial situation. Many of the corporations formed along the trust line in the last ten years come under the designation of an unlawful combination as laid down in the dictum of the opinion. The Securities company as the head and front of those offending is Justice Harlan's keynote, and every combination of properties, every putting together of manufacturing concerns has been based upon the Securities idea. The United States Steel combination exchanged its stocks for those of a dozen great corporations, many of which were in turn built upon many competing plants. This corporation, which is used as illustrative of the others, derives its revenue by dividends from the underlying plants, each one of which is governed by its own board, but under direction and control of the central power.

From its promulgation the Sherman anti-trust act was understood as establishing a criminal offense to be proceeded against by form of indictment of individuals and to bring a corporation to punishment in the infliction of a fine. Instead of seeking a specific act of restraining trade by overcharge, rebate or extortion, the government profited by the trend of practice before courts and appealed to the injunction. The proceedings against the Securities company was to enjoin it from doing things feared or alleged and the order of the court below was in the form of injunction, now affirmed by the Supreme court. The Securities company being punished not for what it has done but what it is capable of doing.

The same procedure is imminent against any corporation which owns the stocks of two or more engaged in the same line of business. The court declares there is but one remedy, the repeal of the law; if the enforcement along the line outlined in the opinion becomes fashionable Wall street traders will congratulate themselves that the blow fell after Security values had been brought down to the dollar for dollar basis and liquidation may possess an element of profit.

John Marshall Harlan, who handed down the decision in the Northern Securities case, has been an associate Justice of the Supreme court of the United States since Nov. 29, 1877. He was born in Boyle county, Kentucky, in 1833, was educated in Center college and Transylvania university, and was a county judge at the age of 25. From 1861 to 1863 he was colonel of the Tenth Kentucky regiment in the Union army, and from the latter year until 1867 was attorney general of the Blue Grass state. Justice Harlan was one of the arbiters in the Bering sea case. He it was who handed down the decision in the famous Nebraska maximum freight rate case.



A Sketch From Life of James J. Hill, the Father of the Northern Securities Company, Which the Supreme Court Declared to Be an Illegal Trust.

carrying companies, is declared to be in violation of the law against combinations in restraint of trade.

It is not the first victory that the Sherman anti-trust act has scored in the Supreme Court, but it is the greatest. The railroad cases which preceded had to do with rate agreements; the decisions against industrial methods were directed against price schedules. This recent opinion struck at the corporation itself, it went beyond the mere incident of a rate, of a specific violation of the law, and held that the formation of a company to operate competing properties, even though the announced intention is one of economical operation, of lower rates or of greater benefits to the public, the thing itself is wrong.

The Northern Securities company must disband, resolve itself into its units, the Northern Pacific railroad and the Great Northern railway. Its \$400,000,000 stock issued for the former at 115 for 100 shares and for the latter in the proportion of 180 for 100 shares will be re-exchanged. The Burlington, the third part of the combine, is controlled by the other two. The ownership will remain in the same hands, the management will not be changed. The policy will not be altered, but the power of the court to go beyond dissolving the corporation was recognized. The corporate embodiment of the scheme of unification alone is struck down. The apparent contradiction between corporation and individual holdings of securities of competing properties split the court, and the balance was against the great scheme of J. P. Morgan and James J. Hill.

The majority decision was supported by Justices Harlan, Brown, McKenna, Day and Brewer, the latter differing as to the method of reasoning, but agreeing with the conclusion. The minority likewise was partially disjointed, Justice Holmes reading an opinion in which Chief Justice Fuller and Peckham united, Justice White delivering a personal opinion more radical than his fellow dissenters. But there is no hope held out in any of the dissenting opinions of a rehabilitation of the scheme. Justice White stands alone in opposition to the basic principle of the anti-trust act, which he characterized as "destructive of human liberty and destructive of every principle upon which organized society depends."

Justice Harlan and his three associates gave a wider latitude to the anti-trust act than previous decisions which were directed against specific violation of its terms. The Supreme court throws the mantle of the act over any company or combination which puts into a common ownership the stocks of competing railroads and inferentially competing industries. It holds that such consolidation or merger destroys and restricts trade and as such restrains trade and it is not necessary to cite specific acts.

With five judges in its favor, the construction of the law is absolute; there is no evasion; no escape. The reach for corporation power has been

stocks of two railroads would have carried with it the right to hold a dozen or more, to issue bonds against stocks, to buy more properties, to issue more bonds.

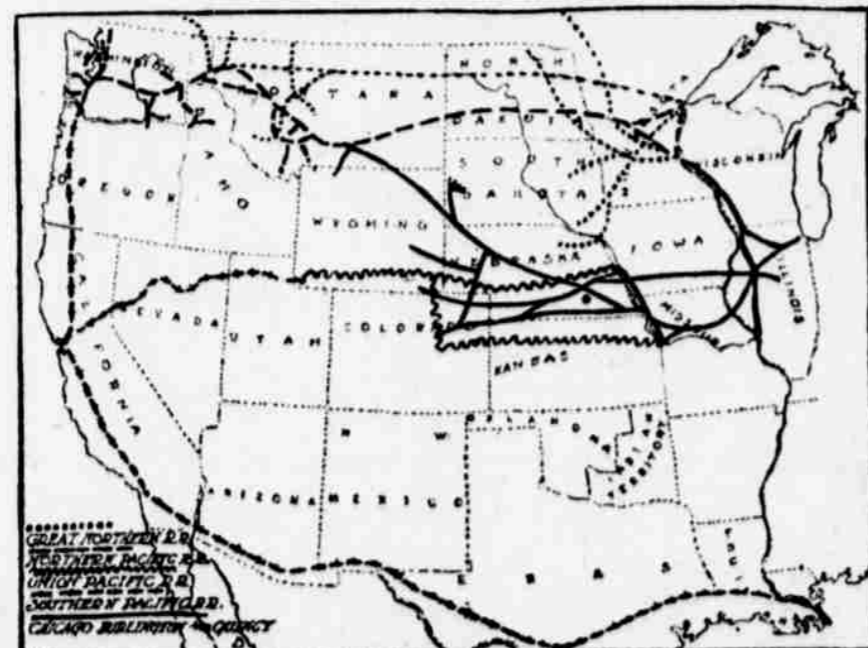
Three years ago this month the plan was developed, while the gigantic steel corporation was being floated out into the rising market of speculation; it had to wait until some of the money invested in that industrial combination was realized. With-



Supreme Court Justice Harlan.

in two months or its projection competitive buying by a transcontinental rival, the Union Pacific, brought on the panic of May 9 and the pleasure of success was marred by relinquishment of half the control of the Burlington to its rival.

Though the security scheme is killed the Hill-Morgan plan is not dead; through personal ownership, through combinations of individuals, much of the original purpose will be retained. The Northern Pacific and Great Northern and Burlington will



Great States of the American Nation Which Have Been Under the Control of the Railroad Merger.

Grandson of the Mikado.
Perhaps the most interesting small boy in the world is the little Prince Micchi, grandson of the Japanese Mikado and destined himself to be a mikado some day. He will be 4 years old next month. The heir presumptive to the great eastern throne has the distinction of being the first baby of the royal house of Jimmu Tenno who has been allowed to grow his hair like an English baby. Both his father and the mikado, when babies, had their heads shaved daily by their nurses.

Strong in Vitality at 82.
Benjamin F. Manierre, at one time a leading Republican in New York City, and more recently a prominent Prohibitionist, is 82 years old, but is recovering from a surgical operation which might have killed many a man young enough to be his grandson. It was discovered recently that he was suffering from hernia and an operation was found to be necessary. The venerable patient refused to take an anesthetic and while the surgeons were at work laughed and told stories.

Senator Scott Tells of Travels.
Senator Scott of West Virginia has published a neat little book bearing the title "Letters From Foreign Lands." The volume tells with some detail of the senator's tour abroad last summer, and is illustrated. Some of the snapshots are unique. There is a group of Nubians wading out to the boat at the first cataract of the Nile. Then one photograph shows a "front view of a Spanish gentleman in reduced circumstances" and another "a reverse view of the same gentleman."

EASTER MORNING.

BY NIXON WATERMAN.

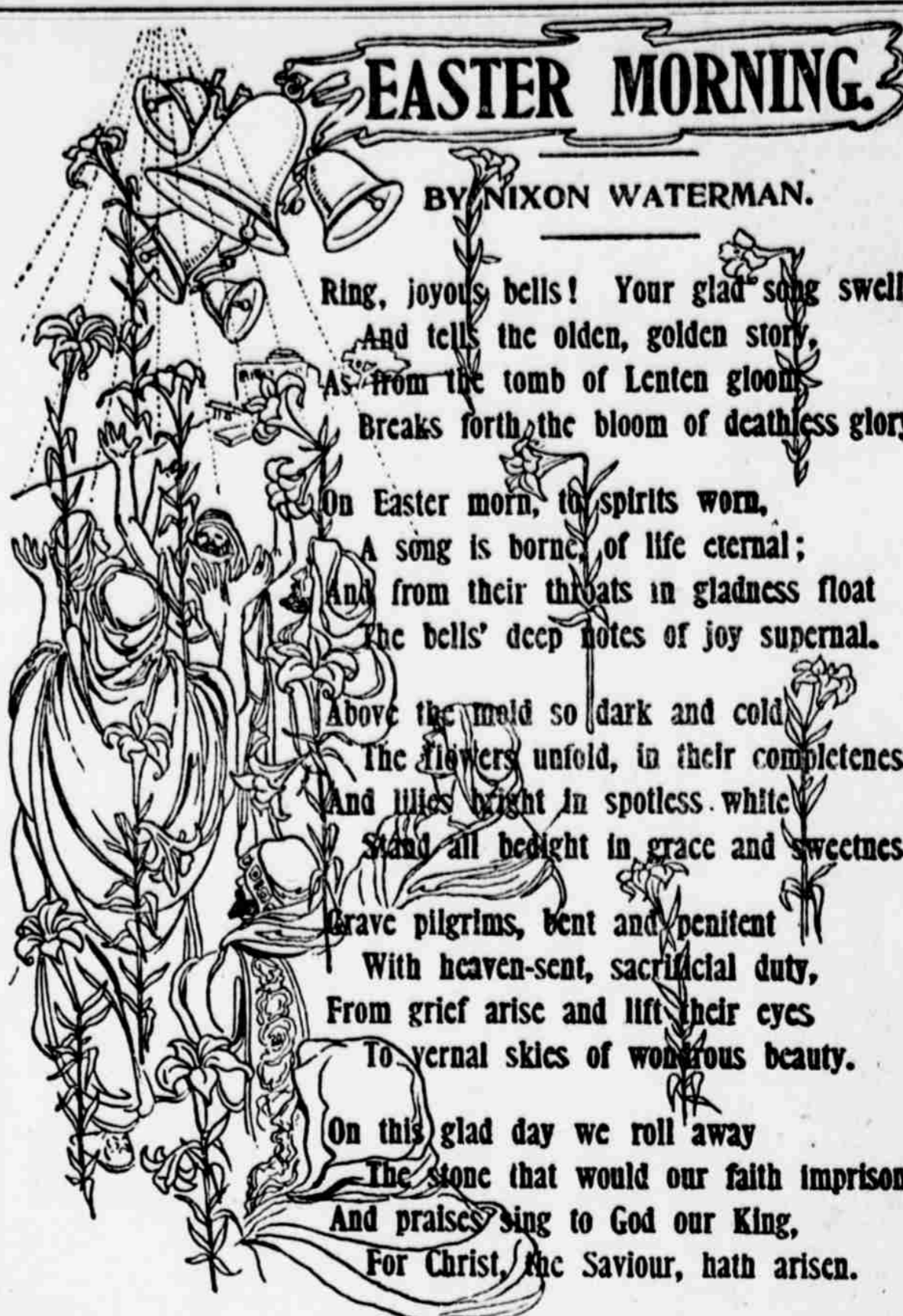
Ring, joyous bells! Your glad song swells
And tells the olden, golden story,
As from the tomb of Lenten gloom
Breaks forth the bloom of deathless glory.

On Easter morn, the spirits worn,
A song is borne of life eternal;
And from their throats in gladness float
The bells' deep notes of joy supernal.

Above the mold so dark and cold
The flowers unfold, in their completeness,
And lilies bright in spotless white
Stand all bedight in grace and sweetness.

Brave pilgrims, bent and penitent
With heaven-sent, sacrificial duty,
From grief arise and lift their eyes
To vernal skies of wondrous beauty.

On this glad day we roll away
The stone that would our faith imprison,
And praises sing to God our King,
For Christ, the Saviour, hath arisen.



A Lenten Sacrifice

There was an accusing voice in the swelling notes of the big pipe organ. Peal upon peal of denunciation rolled out into the dim-aided church and reverberated back from the vaulted ceiling, all its solemn impoachment seeming finally to center itself in the pew occupied by the stately Miss Weyman. She trembled under the stormy arraignment. She looked back over her life with a shudder and realized for the first time its utter selfishness. There were no crimes of commission upon her spotless life, but what had she done to make the world brighter or better? Nothing! The answer seemed to come in mighty anger from the big organ, rather than from her own inner consciousness.

Bred in luxury and reared in idleness, what had she ever accomplished with the ten talents that the Master had given her? Her charities? She had given much out of her abundance, but she had never given so much as a crumb of bread that meant sacrifice of one moment's comfort. Selfishness, selfishness! It was the keynote of her life—and the whole message of the big organ that morning.

The sun presently shot through a great stained-glass window that cast a flood of golden light athwart Miss Weyman's pew, and that same moment the thunderous rebuke of the organ ceased, and in its place came a strain of pleading harmony and then a sweet, clear note of humble praise with a sorrowful undertone that carried with it a suggestion of the agony on the cross.

She glanced up and a bright smile from the choir turned her cheeks aflame. There was her guilt of selfishness! She realized now that this was the thing that had lain dormant upon her conscience for so long. And there must be her sacrifice! She turned faint and almost cried out at the thought. He belonged to her! He belonged to her! For five long years they had been as good as betrothed and for two years she had worn his ring, waiting, waiting until his pride should be satisfied with the measure of success he had set himself to accomplish before marriage. And the time had almost come.

Two years. But in that time her younger sister, Grace, had suddenly bloomed into womanhood! She turned suddenly to the sister at her side. She, too, was looking up into the choir and exchanging a bright smile with the handsome young bass. Grace turned at her sister's movement and met her eye with a calm, steady gaze in which there was no concealment, then smiled at her with the perfect understanding of true sisterly affection.

Miss Weyman caught her breath with a sigh of relief. There was no disloyalty there, she knew. She reflected with a pang that these two young people did not know their own secrets as yet. They might never know it! He would, in his simple honor, go calmly through his program and marry her when the time came, and Grace would deck her hair

with orange blossoms. Why should she not go through with her share of the program, too? She would! She must!

Again that organ! It rose once more to its stern roll of denunciation and Miss Weyman, as if she had done a guilty thing, looked apprehensively at the calm pure face of her sister. Ah, but those two were made for each other, and if it were not for the high sense of honor that kept their loyal minds untainted even by the thought that things might be other than they were, they would be sweethearts even now. She reflected that herself and the man in the choir were of exactly the same age and that the time would come when she would be no longer young; that he must sooner or later see that he had missed to make his life complete. She loved him, but did not love her as a man should love the woman he marries; as he could love Grace if he were free to do so? She looked up again into the choir and sought the smile she loved so well. She studied the smile when it came as she had never studied it before, and as the big organ pealed out the opening passages of the Te Deum, she bowed her head in her hands for a moment, to fight back the tears that sprang to her eyes as she silently made her Lenten sacrifice.—Los Angeles Times.



ITS ORIGIN AND DATE.

Earliest Christians Celebrated Easter With Prayer and Sacrifice.

The Semite always "took his religion much harder" than the Aryan, and the spring celebration of the latter took the form of feasting, dancing and having fun, while the former had prayer, sacrifice and an ever-growing ritual to be observed. From those earlier Semite ancestors the Jews derived their feast of unleavened bread, the sacrifice of the Paschal lamb and other observances of that season, the origin of the custom being forgotten in the legend of the Passover.

The earliest Christians, being themselves originally Jews, continued this celebration with a new significance, the death of Christ being to them the sacrifice of the Paschal lamb. When the celebration was taken up by the non-Jewish Christians, they made it a point to get as far away as possible from everything Jewish, and made it purely a celebration of the Resurrection, without reference to the coincident Passover. They determined, furthermore, that the festival should fall on the Sunday following the termination of the Paschal feast, but it was several centuries before the authorities at Rome decided upon the basis of calculations for the determination of the full moon, upon which Easter depended.

Slaves Freed at Easter.

In earlier times the Christian emperors at Easter gave their slaves their freedom, gifts were given to the poor and work of all kind was suspended for two days. There are no slaves now to set free, but the two last customs are still observed.

Quaint Easter Customs

The universal Easter rejoicings in olden times were not all because of the great event which Easter commemorates. Old records show that it was often because the long forty days' fast was over with a return to solid eating once more—not only to solid eating, but for the time to much feasting.

Anciently the paschal or Easter season extended from the Sunday before until the Sunday after Easter proper. On the Holy Thursday before, called Maunday or Shere Thursday, there were services commemorating of Christ's washing the disciples' feet. The Pope at Rome, the archbishops in various countries, and the monarchs in England even through Elizabeth's time had feet washing services, the necessary accompaniment of which was the giving of food and money to the poor.

On Holy Saturday and Easter eve the services vary in the different churches. That in the Greek church lasts all night. There are great crowds in the church at Jerusalem, though a large admission is charged, who are there to witness the fire descend from heaven into the censer and to light their candles by it. The Easter feast in that church is the most important of the year. Lent over the ovens are crowded with preparations for banqueting. Every house is fragrant with the odor of pies and baked meats and everybody is in festive array. A great many visits are paid.

On the last day of Lent everybody in Rome rushes to the Vatican. In Italy the "sepulchers" in the churches are watched night and day by people clad in deep mourning from the dawn of the Holy Thursday till midday on Saturday, when the body is supposed to rise from the grave. The resurrection is announced by the firing of cannon, the blowing of trumpets and the ringing of the bells which from the preceding Thursday have been carefully tied up to protect them from the power of the devil.

The ceremonies of Easter day itself are grand, long and many featured throughout Catholic Christendom, but anciently these were barely over before secular performances began.

For many years, and perhaps even today, the first dish brought to the table on Easter day at Queen's college, Oxford, was red herring fixed to resemble a man, put astride a corn salad, riding away on horseback. This is said to be a remnant of the old pageants which were exhibited in the popular rejoicings that Lent was over.

Children in England, as at Washington, go out and roll eggs on a lawn or in a field, some rolling them like bowls, some throwing them up in the air like balls. The chief glory of a paste egg to a boy who wants to win the championship in hard hitting is its hard shell. One who wishes to gain a conquest with his egg challenges a companion to give blow for blow. He is victor whose egg stands the attack, and he goes on challenging.